

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

Official Minutes January 10, 2003

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**MINUTES OF REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN
JEFFERSON CITY, MISSOURI, ON FRIDAY, JANUARY 10, 2003**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission held on Friday, January 10, 2003, in Jefferson City, Missouri, was called to order at 9:30 a.m. by the Chairman, Mr. Ollie W. Gates. The following members were present: Mr. W. L. (Barry) Orscheln, Vice Chairman, Ms. Marjorie B. Schramm, Mr. Bill McKenna, Mr. James B. Anderson, and Mr. Duane S. Michie.

The meeting had been called pursuant to Section 226.120 of the 2000 Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

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Mr. Henry Hungerbeeler, Director of the Missouri Department of Transportation; Mr. Rich Tiemeyer, Chief Counsel for the Commission; and Mrs. Mari Ann Winters, Secretary to the Commission, were present on Friday, January 10, 2003.

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*"Department" or "MoDOT" herein refers to Missouri Department of Transportation.
"Commission" or "MHTC" herein refers to Missouri Highways and Transportation Commission.*

CLOSED MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo., including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(11), (12) – Specifications for competitive bidding, sealed bids, or negotiated contracts.
2. Section 610.021(1) – Legal actions and attorney-client privileged communications.
3. Section 610.021(3), (13) – Personnel administration regarding particular employees.

The Commission met in the Closed Meeting from 8:30 a.m. until 9:30 a.m.

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APPROVAL OF MINUTES, REGULARLY SCHEDULED HIGHWAYS AND TRANSPORTATION COMMISSION MEETING, DECEMBER 6, 2002

Upon motion duly made and seconded the Highways and Transportation Commission unanimously approved the minutes of its December 6, 2002, regularly scheduled meeting. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

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CONSENT AGENDA

In order to make the most efficient use of Commission meeting time and to ensure the Commission members are well informed on issues requiring their action, the staff prepares and submits to the Commission members, in advance of their meeting, internal memoranda consisting of advice, opinions, and recommendations related to the items on the Commission meeting agenda. Those items considered by the staff to be of a routine or noncontroversial

nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member. The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

Minutes reflecting approval of items on the consent agenda are singly reported herein and intermingled with minutes reflecting action on related subjects that were openly discussed. Reference to "consent agenda" is made in each minute approved via the process described in the paragraph above. Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

No items were removed from the consent agenda. Upon motion by Commissioner Schramm, seconded by Commissioner Orscheln, the consent agenda items were unanimously approved by a quorum of Commission members present. Commissioner Orscheln abstained from voting on Consent Agenda Item 6, "Ratification of Approval of Right of Way Plans for Condemnation."

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MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION'S BLUE RIBBON PANEL ON ACCOUNTABILITY, CREDIBILITY AND EFFICIENCY

The Commission unanimously adopted the following resolution pertaining to appointment of a Blue Ribbon Panel. The Chairman, upon recommendations of the Commission members, will appoint well-known citizens to this panel.

Whereas, the Highways and Transportation Commission (hereafter "Commission") believes that there have been numerous changes, both statutory and within the Missouri Department of Transportation (hereafter "MoDOT"), that have significantly increased MoDOT's accountability, credibility and efficiency;

Whereas, the Commission believes that MoDOT and the Commission itself, like all state departments and bureaucracies, must constantly strive to further improve its overall accountability, credibility and efficiency;

Whereas, the Commission understands that one of the keys to meeting the challenges and opportunities of the future is to continually earn the respect and trust of the citizens and taxpayers of Missouri;

Whereas, the Commission understands that the best way to earn the respect and trust of the citizens and taxpayers of Missouri is to listen to the concerns, suggestions and comments of the citizens and taxpayers of Missouri;

Whereas, the Commission feels that a group of citizens, independent of the Commission, MoDOT and affiliated state agencies, could more objectively review the operations and decision-making processes of MoDOT and the Commission;

Whereas, the Commission wishes to appoint a Blue Ribbon Panel to help MoDOT and the Commission meet future challenges and opportunities, including increasing MoDOT's and the Commission's overall accountability, credibility and efficiency;

Now, Therefore, Be It Resolved by the Commission that there is herein created the "Blue Ribbon Panel on Accountability, Credibility and Efficiency" (hereafter "Blue Ribbon Panel") made up of 12 citizen leaders appointed by the Chairman of the Commission after conferring with Commission members.

Be It Further Resolved that the Blue Ribbon Panel is hereby charged with the following responsibilities:

1. Review the constitutional, statutory and rule provisions regarding the issue of governance for the commission and MoDOT and make recommendations for future modifications.
2. Review the constitutional, statutory and rule provisions regarding the issues of accountability, credibility and efficiency and make appropriate recommendations for future modifications.
3. Review all federal and state funds that MoDOT currently receives and make appropriate recommendations, including how to maximize and increase said revenue. This review must include how much transportation revenue – fuel tax, vehicle license and registration fees, etc. – is appropriated to other government agencies.
4. Review how MoDOT spends all federal and state funds currently received and make appropriate recommendations.
5. Compare MoDOT to other state departments of transportation regarding funding sources, organization, funding for all modes of transportation, miles maintained and owned, change order costs, bidding methods, and any other comparable and relevant issues, and make appropriate recommendations.
6. Review all appropriate MoDOT and commission operations and activities and make recommendations that could improve efficiency, accountability and public trust.

7. Any other issue the Commission or panel deems worthy of review.

Be It Further Resolved that the Blue Ribbon Panel shall present a final report, including recommendations, to the Commission on or before August 31, 2003 unless said deadline is extended by the commission;

Be It Further Resolved that the Blue Ribbon Panel may solicit any input and information necessary to fulfill its responsibilities from any and all sources that the panel may find useful;

Be It Further Resolved that Commission Secretary shall provide logistic and clerical assistance to the panel as needed; the Commission Chief Counsel shall provide legal advice to the panel as needed; and MoDOT staff shall provide research and technical services to the panel as needed; and

Be It Further Resolved that all the reasonable and necessary expenses of the Blue Ribbon Panel shall be paid by MoDOT.

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REPORTS OF COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has five committees (Audit Committee, Bond Financing Committee, Building Committee, Compensation Committee, and Legislative Committee) and elects Commission representatives to two boards (Missouri Transportation Finance Corporation and Highway and Transportation Employees' and Highway Patrol Retirement System). The following committee reports were made during the January 10, 2003, meeting.

Compensation Committee – Commissioner Schramm reported that the Compensation Committee had met with MoDOT staff on January 6, 2003, to discuss the department-wide job study. Phase I, which included overtime issues and some policy changes, was implemented on January 1, 2003.

Legislation Committee – Commissioner McKenna reported that the 2003 Session of the General Assembly was called to order on Wednesday, January 8, 2003. There are many new members of the legislature due to term limits. Leadership changes have taken place in the House of Representatives. Budget problems will result in many challenges for the members of the General Assembly this year.

Commissioner McKenna noted that Chairman Gates, Director Hungerbeeler, and other MoDOT staff are scheduled to participate in a Congressional luncheon in Washington, D. C., on January 23, 2003, to discuss reauthorization of the federal transportation bill. On January 27, 2003, MoDOT and the Department of Conservation will co-sponsor a reception to get acquainted with members of the Missouri General Assembly.

Two pre-filed state legislative bills are of particular interest to the Commission: one pertains to authority for toll roads, the other pertains to alcoholic beverage open-container legislation, which affects federal transportation funding.

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INTRODUCTION OF GOVERNOR'S YOUTH CABINET REPRESENTATIVES

Director Henry Hungerbeeler advised the Commission that Governor Holden had appointed Lindsay Gaither and Jarib Whitehead as MoDOT's two representatives on his 45-member Governor's Youth Cabinet. The Governor's Youth Cabinet was created to increase involvement of young Missourians in state and local issues. Ms. Gaither was present at the meeting and was welcomed by the Commission and MoDOT staff. Mr. Whitehead could not attend due to prior commitments.

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SHARELEAVE COMMITTEE PRESENTATION

Director Henry Hungerbeeler recognized two members of the ShareLeave Committee, Gina Dille, Senior Materials Inspector in District 2, and Theresa Berendzen, Intermediate Operations Technician in Maintenance, General Headquarters, who recently completed their two-year terms on the committee.

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FEDERAL HIGHWAY ADMINISTRATION, PROJECT ESTIMATING AWARD

Project Development Director Dave Nichols advised the Commission that MoDOT had been recognized by the Federal Highway Administration for delivering projects on time and within budget. The award is given to the state department of transportation that does the best job of estimating project costs when compared with the actual low bid received. The award period covered calendar year 2001 and considered only those jobs on the National Highway System that exceeded \$500,000. He stated that 42 MoDOT jobs fit the criteria; the estimates for those jobs were within .09 percent of the actual low bid. During the same period, MoDOT saved approximately \$4 million by rejecting excessive bids based on the MoDOT estimates.

State Design Engineer Diane Heckemeyer, State Bridge Engineer Shyam Gupta, Senior Estimating Engineer Travis Koestner, and Senior Technical Support Engineer Paul Kelly accepted the award to MoDOT presented by Federal Highway Administrator Allen Masuda.

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PROPOSAL TO FORM TRANSPORTATION DEVELOPMENT DISTRICT, ROUTE 36 CORRIDOR GROUP

Tom Boland was spokesman for a large delegation supporting the completion of Route 36 from just east of Macon to eight miles west of Hannibal as a four-lane facility. Mr. Boland said the group was interested in forming a transportation district and would be investigating every possible avenue of funding and construction.

Mr. Boland recognized that the subject improvement is not in MoDOT's Five Year Plan. He further recognized that the MoDOT staff did not feel it could be included without additional funding. He said the objective of the group is to develop the project to the point where right-of-way would be acquired and construction begun as soon as funding becomes available.

Mr. Boland said funds have been secured for legal work involved in forming a transportation corporation. He asked the Commission to adopt the following resolution:

"Resolved, that the Missouri Highways and Transportation Commission is committed to assisting the US 36 Group in the evaluation of a state/local solution to add two lanes to US 36 from Macon to eight miles west of Hannibal by the ultimate formation of a five-county transportation district."

Director Hungerbeeler and Chief Operating Officer Pat Goff stated that the staff was eager to help the US 36 Group develop a plan that would be acceptable to local taxpayers, as well as the Commission.

Toward that end, upon motion by Commissioner Orscheln, seconded by Commissioner McKenna, the Commission unanimously (1) encouraged the US 36 Group to pursue innovative financing alternatives to fund the construction of an additional two lanes to US 36 from Macon

to eight miles west of Hannibal and to form such legal entities as may be appropriate to facilitate such financing; (2) authorized the staff to assist the US 36 Group in its evaluation; and (3) requested that the US 36 Group submit its plan at a future meeting.

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PRESENTATION BY KPMG, INDEPENDENT AUDITOR

Drew Blossom, KPMG Partner in charge of the MoDOT audit, reported a positive change in MoDOT's fund balance for the year, primarily due to the bond issue. He noted that the self-insurance fund is in a deficit position, but the amount of contribution to that plan will be increased.

Mr. Blossom pointed out that General Accounting Standards Board Statement 34 required the Department to calculate the historical cost of the roads and bridges currently in place. He said the statement allows two approaches to be used in determining the current worth of the asset: the depreciation approach and the modified approach. The 12 states, (excluding MoDOT) on which he had data, were equally divided in the approach used. He noted that the historical cost of Missouri's road and bridge infrastructure (\$36 billion) was far greater than that of the other 12 states (ranging from \$15.7 billion to \$2.9 billion). He further stated that Missouri has more miles of roadway and more bridges than the other Midwestern states in his focus comparison group (Oklahoma, Arkansas, Kansas, Colorado, Nebraska, and Wisconsin).

Mr. Blossom reported that Missouri's depreciation expense is \$954 million, which was significantly higher than that shown for the states that elected the depreciation method. Missouri also was one of the highest of the focus comparison states in expenditures for additions to the system.

Mr. Blossom reported that some states have moved the responsibility for state roads to the counties by legislative action.

Mr. Blossom highlighted future challenges for the MoDOT staff: (1) routinely capturing and updating the amount being invested in roads and getting those amounts reported in the financial records, (2) capturing the cost of additions to the system, (3) distinguishing additions to the system from maintenance of the system, (4) identifying retirement of roadways as new ones are put in place, and (5) validating the useful life of the roadways.

Commissioner Anderson reminded the Commission that MoDOT was the first state agency to implement processes to meet the Governmental Accounting Standards Board Statement 34 requirements. He commended MoDOT's staff for its effort in that regard. He further pointed out that replacement value for the current road and bridge system is approximately \$65 billion, the depreciated value is in the low \$20 billion range, and the annual depreciation is approaching \$1 billion.

Commissioner Michie noted that the information presented indicates that further review needs to be made of state, county, and city responsibility for roads and bridges.

The Chairman thanked Mr. Blossom for the informative report.

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FEDERAL TRANSPORTATION REAUTHORIZATION

Jay Wunderlich, Director of Governmental Affairs, reported that the current six-year federal transportation reauthorization act will expire on September 30, 2003. He stated that Congress had recently begun holding hearings and conducting meetings relating to public policy changes and funding formulas that should be included in the next federal transportation reauthorization act. In order to offer Missouri's Congressional delegation a unified position on

federal transportation issues, Mr. Wunderlich reported that MoDOT had worked with representatives of the cities of Joplin and Springfield, Bi-State Development Agency, Kansas City Area Transportation Authority, East-West Gateway Coordinating Council, Mid-America Regional Council, Meramec Regional Planning Commission, Missouri Association of Councils of Government, OATs, and Springfield City Utilities. As a result, Mr. Wunderlich presented a booklet entitled, “One Missouri, Reauthorization of TEA-21,” which contained the following key issues to be pursued with Missouri’s Congressional Delegation.

Prompt Passage.

The next transportation bill must receive priority attention in Congress that will allow passage prior to the expiration of TEA-21.

Retain TEA – 21 Direction.

The reauthorization of TEA - 21 must continue the philosophy of ISTEA and TEA – 21. Some enhancement of existing programs may be needed but the overall direction of TEA – 21 should continue.

No Unfunded Mandates.

Congress must insure there is a corresponding stream of resources to fully fund any mandate included in the reauthorization of TEA – 21.

Highway Trust Fund Diversions.

Highway Trust Fund dollars must not be diverted to other programs.

Funding of High Priority Projects.

High priority highway and transit projects should be funded outside of the formula allocations.

Increasing Funding Resources for Transportation.

Missouri believes Congress must consider all existing and possible new revenue sources beyond the Highway Trust Fund as resources to address the nation’s transportation needs.

Equitable Fund Distribution.

Congress must continue to address the concerns of the donor states, such as Missouri, and ensure that equitable distribution of funds is a reauthorization priority.

Protect Firewall.

Reauthorization of TEA – 21 must ensure the concept of firewalls remain intact.

Guaranteed Funding.

Minimum guarantees for highway and transit programs should be continued.

Support the Continuation of RABA.

Revenue Aligned Budget Authority (RABA) should be continued to ensure that Highway Trust Fund revenues are used for transportation purposes.

Retain State Infrastructure Bank (SIB) Program.

Missouri supports the continuation of the State Infrastructure Bank program.

Transit Funding Flexibility.

The reauthorization should include language that would allow metropolitan areas flexibility in the use of funds for operational expenses.

Transit Capital Funding for Bus Projects.

The federal funding programs must continue to maintain at least 20% of transit capital funds for bus projects.

Support the Involvement of Local Officials in the Planning Process.

Missouri fully supports the involvement of local officials in the transportation planning process.

Coordinated Security and Emergency Preparedness Plans for Homeland Security Programs.

Missouri believes that security and emergency preparedness plans must be coordinated with state and metropolitan transportation plans.

Time Limits on CMAQ Operating Project Funds.

The current three-year time limit for funding new operating projects with Congestion Mitigation Air Quality (CMAQ) funds should be extended. Missouri would suggest five years instead of the three years.

Air Quality Conformity Coordination.

Current regulations require demonstrations of conformity for ten-year increments throughout the life of the Long-Range Transportation Plan (LRTP). State Implementation Plans (SIPS) have a horizon of only ten years while LRTPs must cover at least 20 years. Missouri recommends that conformity analyses should be limited to the longest period covered by both plans.

Continue with the Concept of Environmental Streamlining as included in TEA – 21.

TEA – 21 has adequate language for the concept of environmental streamlining. Missouri proposes no substantive change to that language. The U.S. DOT/FHWA/FTA must move forward with the regulatory process for all related agencies to implement the Environmental Streamlining process as directed in TEA – 21.

Support a Rural Safety Program

Congress should recognize the nation's transportation safety issues with support within the existing program to allow the states to address high fatality and crash locations.

In addition to the issues above, the information presented by Mr. Wunderlich included four proposed positions of particular interest to MoDOT.

1. **Simplified Enhancement Program** – The reauthorization of TEA 21 should include wording that will allow applicants to the transportation enhancement program to apply for and receive enhancement funds through a simplified “grant style” process.
2. **Increase Federal Participation Fund Level on National Highway System** – The reauthorization of TEA 21 should include language that will increase the level of federal participation to 90% on all federally funded projects on the entire National Highway System.
3. **Rail Freight Program** – Congress should recognize the importance of the nation’s rail system as an integral part of the total transportation system by providing avenues to support rail freight needs through existing programs.
4. **Passenger Rail Program** – Congress should identify a program outside the Highway Trust Fund that identifies a dedicated and predictable funding source for passenger rail needs on a multiyear basis.

Mr. Wunderlich presented the following list of projects and recommended they be presented to Missouri’s delegation for consideration should federal funding, beyond the federal funding formula, become available during the debate on the bill.

I-70 – Major upgrade of the I-70 Corridor

Mississippi River Crossing in St. Louis, Missouri and Illinois.

I-64 – Completion of a portion of I-64 in St. Charles County.

MO 21 – Completion of additional four-lane section in Jefferson County.

I-470, I-435, US 71 – Completion of interstate realignment and interchange improvements in the Kansas City metropolitan area.

I-29 and I-35 reconstruction of Kansas City downtown loop.

MO 269 – Upgrade urban corridor to a new four-lane facility in the Kansas City metropolitan area.

Atchison Bridge replacement on National Highway System – US 59, Missouri and Kansas.

US 36 – Upgrade a portion of the National Highway System to a four-lane facility from Macon to Hannibal.

MO 5 – Upgrade a portion of the National Highway System to a four-lane facility, Camden County.

I-44 and US 65 Interchange improvements in Greene County.

US 60 – Completion of a section of four-lane National Highway System roadway from Willow Springs to Van Buren.

US 61 – Upgrade a section of the Avenue of the Saints to four lanes.

MO 412 – Completion of Congressional High Priority Corridor.

US 71 – Upgrade a segment of a Congressionally designated High Priority Corridor between Missouri and Arkansas.

MO 19 – Major River Crossing at Hermann.

MO 13 – Upgrade a segment of National Highway System route to four lanes from Clinton to Springfield.

US 65 – Complete a National Highway System route to four lanes in the Branson area.

Mr. Wunderlich recommended that the above issues be pursued with Missouri's Congressional delegation and the above projects be submitted for consideration by the delegation in the event special funding would become available.

The Commission discussed the current status of the I70 project and the scope being considered for this improvement. Chief Engineer Kevin Keith and Project Development Director Dave Nichols clarified that the ongoing first and second tier studies will provide a clear picture of what the I70 improvement will look like in the future allowing MoDOT to make improvements to this facility that will be in keeping with the ultimate design and location for the improvement. Some members of the Commission suggested that the scope for the I-70 improvement may need to be scaled back from the initial consultant proposal in order to meet the needs on I70 within current revenue projections; others felt that special funding should be pursued in order to provide an improvement that will satisfy traffic needs well into the future. No action or resolution was made regarding scope of the I-70 project.

The MoDOT staff will submit the issues and projects noted above to the members of Missouri's Congressional delegation for its consideration as the next federal transportation act is debated.

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FUNDING ALLOCATION

Prior to and subsequent to the Commission's special meeting on January 6, 2003, to gather further input on the funding allocation issue, the staff developed various scenarios for consideration by the Commission. (See September 6, 2002, October 3, 2002, and December 6, 2002 Commission meeting minutes for subsequent Commission discussion on the funding allocation issue.)

Chief Engineer Kevin Keith reported that as a result of input received from the public, transportation stakeholders, governmental entities, and others since the October 2002 Commission meeting, the staff had revised its recommended funding option. He clarified that the planning framework would involve local elected officials in the planning and decision-making process as it pertains to the project priority selection. This framework will not be ready for complete implementation until the Fiscal Year 2005-2009 STIP process. Mr. Keith recommended the following funding allocation.

Of the total funds available,

- Suballocated funds designated for specific purposes by Congress would be deducted for those purposes.
- Funding for other transportation modes (aviation, railways, transit, and waterways) appropriated by the state legislature and unavailable for use on roads and bridges would be deducted for those purposes.
- Funding for debt service (currently \$75 million over a 20-year period) would be deducted to cover the financing cost for projects accelerated through the bond financing program.
- Twenty million dollars would be set aside for economic development and cost-sharing projects.

- The remaining funds available for construction would be allocated in the following order:
 - \$450 million would be allocated to taking care of the existing system.
 - \$100 million (of the \$450 million) would be designated to the interstate system for pavement and bridge repair (not upgrade).
 - \$25 million (of the \$450 million) would be allocated to safety projects.
 - The remaining funds allocated to taking care of the existing system would be distributed to the districts based on percentage of total vehicles miles of travel on the National Highway System and remaining arterials, percentage of lane miles on the National Highway System and remaining arterials, and percentage of total square feet of state bridge deck area.
 - The remaining funds available for construction would be allocated to major projects and emerging needs distributed the districts based on percentage of vehicle miles of travel on the National Highway System and remaining arterials, percentage of total population, and employment. A portion of the funds would be retained to address rural statewide major projects.

After deliberations and review of several additional funding allocation variations proposed by the Commission during the meeting, Commissioner Orscheln moved approval of the staff recommendation noted above; Commissioner Michie seconded the motion. Commissioner McKenna then offered the following substitute (amended) motion for funding allocation, which was seconded by Commissioner Anderson.

Of the total funds available,

- Suballocated funds designated for specific purposes by Congress would be deducted for those purposes.
- Funding for other transportation modes (aviation, railways, transit, and waterways) appropriated by the state legislature, which is unavailable for use on roads and bridges, would be deducted for those purposes.
- Funding for debt service (currently \$75 million over a 20-year period) would be deducted to cover the financing cost for projects accelerated through the bond financing program.
- Twenty million dollars would be set aside for economic development and cost-sharing projects.

- The remaining funds available for construction would be allocated in the following order:
 - \$400 million would be allocated to taking care of the existing system.
 - \$100 million (of the \$400 million) would be designated to the interstate system for pavement and bridge repair (not upgrade).
 - \$25 million (of the \$400 million) would be allocated to safety projects.
 - The remaining funds allocated to taking care of the existing system would be distributed to the districts based on percentage of total vehicles miles of travel on the National Highway System and remaining arterials, percentage of lane miles on the National Highway System and remaining arterials, and percentage of total square feet of state bridge deck area.
 - \$100 million would be allocated to flexible funds to be used for either taking care of the existing system or major projects and emerging needs and distributed to the districts based on percentage of vehicle miles of travel on the National Highway System and remaining arterials, percentage of total population, and percentage of total employment.
 - The remaining funds available for construction would be allocated to major projects and emerging needs and distributed to the districts based on percentage of vehicle miles of travel on the National Highway System and remaining arterials, percentage of total population, and percentage of total employment, with a portion of the funds retained to address rural statewide major projects.

Commissioners McKenna, Schramm, Anderson, and Gates voted in favor of the substitute (amended) motion. Commissioners Orscheln and Michie voted in opposition to the substitute (amended) motion.

Implementation of the funding allocation process will honor existing STIP projects, which will result in no change in funding distribution for Fiscal Year 2004. The new process will be used for partial transition for Fiscal Years 2005 and 2006; it will be fully implemented for Fiscal Years 2007 and 2008. The approved funding allocation method will be reviewed by the Commission in two years.

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JANITORIAL SERVICES CONTRACT

On behalf of the Director, Frank Abart, General Services Director, recommended renewal of the contract with Roedel Cleaning Supplies to provide janitorial services at 13 Jefferson City facilities for a cost of \$364,800 for the 12-month period extending from October 1, 2002, through September 30, 2003, as contemplated by the original contract.

Via approval the consent agenda, the Commission unanimously approved the recommendation and further:

- Authorized the Director, Chief Financial Officer, Chief Operating Officer, Director of Administrative Services, or the General Services Director to execute the October 1, 2002, through September 30, 2003, contract renewal.
- Authorized the Director, Chief Financial Officer, Chief Operating Officer, Director of Administrative Services, or the General Services Director to renew and execute a contract renewal with Roedel Cleaning Supplies, should those authorized determine it in the best interest of MoDOT to do so. This renewal, if implemented, would cover the period extending from October 1, 2003, through September 30, 2004.
- Authorized annual payment to Roedel Cleaning Supplies for janitorial services not contemplated by the contract in an amount not to exceed ten percent of the annual contract cost. Billings for such services would be in keeping with the unit prices contained in the original contract.

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RADIO REPEATER SYSTEMS PURCHASE CONTRACT

On behalf of the Director, Steve McDonald, State Traffic Engineer, recommended approval of a contract with A & W Communications to replace 40 radio repeaters at 31 MoDOT locations at a cost of \$299,600 (\$7,490 per unit). MoDOT needs to replace these radio repeaters in preparation for and in compliance with the Federal Communications Commission narrow-band requirements in 2004.

Via approval of the consent agenda, the Commission unanimously approved the recommendation, authorized 10 percent of the contract amount for contingencies, and authorized the Director, Chief Engineer, Director of Operations, and the State Traffic Engineer to execute the contract.

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EXCESS PROPERTY INSURANCE BID

On behalf of the Director, Duane Amos, Risk Management Director, recommended approval to execute a three-year contract with Arthur J. Gallagher (St. Paul Insurance Company) to provide excess property insurance coverage at an annual cost of \$97,258.

Via approval of the consent agenda, the Commission unanimously approved the recommendation and authorized the Chief Financial Officer to execute the contract, subject to approval as to form by the Chief Counsel's office.

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MISSOURI TRANSPORTATION FINANCE CORPORATION, APPROVAL OF THE FOURTH AMENDED AND RESTATED BYLAWS

On behalf of the Director, Mike Golden, Chief Financial Officer, presented the Commission with the Fourth Amended and Restated Bylaws of the Missouri Transportation Finance Corporation (MTFC). The Bylaws replace the Multimodal Operations Director with the Chief Financial Officer as a member of the MTFC Board of Directors. The MTFC Board adopted the Fourth Amended and Restated Bylaws by Fax Ballot on December 31, 2002.

Via approval of the consent agenda, the Commission unanimously approved the MTFC Fourth Amended and Restated Bylaws as presented.

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**AWARD OF CONTRACTS ON FEDERAL-AID AND
STATE PROJECTS, BID OPENING OF DECEMBER 13, 2002**

On behalf of the Director, Diane Heckemeyer, State Design Engineer, stated that bids for road and bridge improvement projects had been received on December 13, 2002.

Ms. Heckemeyer presented a tabulation of the bids received on all projects and recommended awards be made to the lowest responsive and responsible bidder noted below. She also recommended the bid of JLA Construction on Call 403 be declared non-responsive since it did not incorporate an addendum and that Call X04 be awarded to the second lowest bidder due to the low bidder forfeiting its bid security.

<u>Route County Project Call 101</u>	<u>Bid Amount Plus 3% for Contingencies</u>	<u>Non- Contractual Costs</u>	<u>Contractor</u>
T Clinton J1L0318A 69 Daviess J1L0318B C DeKalb J1L0318C	\$624,911.50	\$3,015.22	APAC-Missouri, Inc. Columbia, MO
Call 201 24 Chariton/Randolph J2L0319A 3 Randolph/Howard J2L0319B	1,450,701.64	4,738.21	APAC-Missouri, Inc. Columbia, MO
Call 202 24 and 190 Carroll and Livingston J2P0717	558,789.05		APAC-Missouri, Inc. Columbia, MO

Route County Project	<u>Bid Amount Plus 3% for Contingencies</u>	<u>Non- Contractual Costs</u>	<u>Contractor</u>
Call 402 70 Jackson J4I1403	12,902,246.66	7,389.24	APAC-Kansas, Inc., Reno Division Overland Park, KS
Call 403 70 Jackson J4I1529	840,968.00		Colonial Nursery Corp. Blue Springs, MO
Call 501 CC Miller/Moniteau J5L0320A T Moniteau J5L320B U Cole J5L0320C C Cole J5L0320D	871,235.84		Jefferson Asphalt Company Jefferson City, MO
Call 503 54 Miller J5P0649	9,880,642.31	7,864.84	APAC-Missouri, Inc. Columbia, MO
Call 504 52 Morgan J5S0799	1,125,599.11	952.01	APAC-Missouri, Inc. Columbia, MO
Call 601 F Jefferson J6S1014	1,297,320.02	3,250.53	Goodwin Bros. Construction Co. Crystal City, MO

Route County Project	<u>Bid Amount Plus 3% for Contingencies</u>	<u>Non- Contractual Costs</u>	<u>Contractor</u>
Call 603			
50	4,165,556.76	4,278.47	Chester Bross Const. Co./
Franklin			C.B. Equipment, Inc.
J6P1381			Hannibal, MO
50			
Franklin			
J6P1556			
Call 604			
70 and 170	60,440.40		Shawn's Custom Lawn
St. Louis			New London, MO
J6M0053			
Call 605			
64 and 170	42,460.72		Munie Outdoor Services, Inc.
St. Louis			Caseyville, IL
J6M0054			
Call 606			
270	49,714.49		Munie Outdoor Services, Inc.
St. Louis			Caseyville, IL
J6M0055			
Call 607			
70 and 270	74,467.76		Munie Outdoor Services, Inc.
St. Louis			Caseyville, IL
J6M0056			
Call 608			
Park Roads	763,635.83		N. B. West Contracting
St. Louis			Company
J6L03BAB			Brentwood, MO
Park Road			
St. Louis			
J6L03CAS			
Park Roads			
Jefferson			
J6L03MAS			
Park Roads			
Jefferson			
J6L03SAN			

Route County Project	<u>Bid Amount Plus 3% for Contingencies</u>	<u>Non- Contractual Costs</u>	<u>Contractor</u>
Park Roads Jefferson J6L03FES			
Call 701			
44	12,115,391.55	7,400.77	APAC-Missouri, Inc.
Jasper J7I0681			Columbia, MO
44			
Jasper J7I0682			
44			
Jasper J7I0690			
Call 702			
J	1,118,088.99	1,467.81	Emery Sapp & Sons, Inc.
Bates J7S0649			Columbia, MO
Call 703			
60	3,987,035.53	877.56	APAC-Missouri, Inc.
Barry J7P0352B			Columbia, MO
Call 801			
Park Roads	124,410.61		Leo Journagan Construction
Taney J8L03TAB			Company, Inc. Springfield, MO
Call 802			
73	967,268.41	3,733.13	Leo Journagan Construction
Camden J5L0333			Company, Inc. Springfield, MO
73			
Dallas			
J8L0321			
Park Roads			
Dallas/Laclede			
J8L03BEN			
Park Road			
Hickory			
J8L03POM			

Route County Project <u>Call 803</u>	<u>Bid Amount Plus 3% for Contingencies</u>	<u>Non- Contractual Costs</u>	<u>Contractor</u>
14 Christian J8P0685	1,827,857.85	4,278.47	Burk Bridge Company Brookline, MO
 Call 804 Various Greene, Webster, Wright Christian, Douglas, Stone, Taney, Ozark, Polk, Dallas, Laclede and Hickory J8M0056	 373,749.67		James H. Drew Corporation Indianapolis, IN
 Call 805 13 Polk and Greene J8M0057	 17,141.26		APAC-Missouri, Inc. Columbia, MO
 Call 901 19 Dent J9L0322A 72 Reynolds J9L0322B Park Road Dent J9L03MON	 544,485.15	3,087.01	Ozark Asphalt Company West Plains, MO
 Call 902 60 Carter J9L0359J	 4,192,402.72	417.36	Chester Bross Construction Co./C.B. Equipment, Inc. Hannibal, MO
 Call 903 19 Shannon J9P0501	 2,275,106.48	389.24	Robertson Contractors, Inc. Poplar Bluff, MO

Route County Project Call X01	<u>Bid Amount Plus 3% for Contingencies</u>	<u>Non- Contractual Costs</u>	<u>Contractor</u>
72 Madison J0L0323A	547,181.87	3,015.22	Lead Belt Materials Company, Inc. Park Hills, MO
72 Madison J0L0323B			
W St. Francois J0L0323C			
Park Road St. Francois J0L03MIS			
Call X02			
51 Perry and Bollinger J0L0331A	970,151.70	5,599.70	APAC-Missouri, Inc. Columbia, MO
25 Cape Girardeau J0L0331B			
M Bollinger J0L0331C			
VV Bollinger J0L0311D			
UU Bollinger and Cape Girardeau J0L0331E			
Park Road Cape Girardeau J0L03BOL			
Call X03			
155 Pemiscot J0I0004E	10,254,072.69	1,167.71	APAC-Tennessee, Inc. Memphis, TN
412 Pemiscot J0P0035			

<u>Route County Project Call X04</u>	<u>Bid Amount Plus 3% for Contingencies</u>	<u>Non- Contractual Costs</u>	<u>Contractor</u>
V Cape Girardeau J0S0866	553,538.44	389.24	M.K.G. Const. Company. Arnold, MO
Totals	<u>\$74,576,573.01</u>	<u>63,311.74</u>	

Construction speed limits conform to the standard work zone speed limits shown on Standard Drawing No. 616.10 as approved by the Commission.

After consideration and upon motion by Commissioner Orscheln, seconded by Commissioner Schramm, the Commission unanimously awarded the projects to the lowest responsive and responsible bidder, as recommended and noted above, and authorized an additional three percent of the contract amount for contingencies. The Commission unanimously declared the JLA Construction non-responsive on Call 403. The Commission also approved the allocation of funds covering the non-contractual costs included in the various projects, as indicated, and authorized execution of the necessary contracts by the Director, Chief Engineer, or Chief Operating Officer.

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ROADWAY LOCATION AND DESIGN APPROVAL

On behalf of the Director, District Engineers informed the Commission that preliminary plans and exhibits for the following projects were presented at a public hearing.

**Route 61/67, St. Louis County
Job No. J6P1471
Public Hearing Held October 24, 2002**

This proposed improvement will provide a new bridge on Route 61/67 over Interstate I-255 and will incorporate earthquake resistance in the design to replace the existing deficient bridge. The project also includes an additional Northbound Lane between Forder Road and the I-255 Westbound on-ramp to accommodate the large volume of vehicles making this movement. Traffic will be detoured via I-55 from Butler Hill Road to Lindbergh Boulevard while the new bridge is being erected and the old one is being removed. Closure of Route 61/67 will be limited to a maximum of ten months, will not be allowed earlier than January 1, 2004, and must be opened no later than October 31, 2004. The I-255 Westbound on-ramp and the I-255 Eastbound off-ramp will remain open during the closure time which will allow emergency service agencies to maintain their services to the community. This project is 0.31 mile in length.

Mr. Ed Hassinger, District Engineer, District 6, recommended approval of the design of the proposed improvement as presented at the public hearing.

Route F, St. Charles County
1.4 Miles south of Route D in New Melle
Job No. J6S1029
Public Hearing Held December 11, 2002

This improvement will replace an existing deficient bridge structure over Callaway Fork Creek. This improvement will replace the deficient bridge with a new bridge at a location 50 feet west of the existing road. Traffic will be maintained on the existing road until such time as grading and paving to tie into the existing road takes place. Traffic will be detoured onto county and state roads during construction of the tie-in. The contractors' time for the tie-in will be limited to 25 calendar days. This project is 0.35 mile in length.

Mr. Ed Hassinger, District Engineer, District 6, recommended approval of closing the road for construction of the proposed improvement, as advertised for a public hearing. Based on hearing comments, closure will be limited to 25 days. An incentive for early completion and a disincentive for late completion will be added.

Route 13, Polk and St. Clair Counties
1.1 Miles South of Route 123 to 1.6 Miles South of Route 54
Job Nos. J8P0590B and J7P0604
Public Hearing October 22, 2002

This improvement will add lanes to Route 13 west of the existing lanes and realign county and state road intersections, acquire right of way for a future interchange at Route N/Business 13, flatten slopes on the east side, and resurface and re-stripe existing lanes. Two-way traffic will be bypassed to the new lanes while a bridge is built on the existing lanes for a future interchange in Humansville. Traffic will be handled on the existing lanes while the new lanes are built parallel to the existing route. At least one lane of traffic will be maintained on the county roads at all times while they are rebuilt. This project is 9.15 miles in length.

Mr. Dale Ricks, District Engineer, District 8, recommended approval of the design as presented at the hearing with minor revisions. Revisions include (1) revising the alignment of Route 123 so it does not affect as much property, and (2) removing a future outer road where it has been determined that a county road access point can be left in place without interfering with the future ramp weave area.

After full consideration of the favorable and adverse economic, social and environmental effects of the recommended locations and designs, the Commission, via approval of the consent agenda, unanimously found and determined the recommended locations and designs would best serve the interest of the public and approved the recommendations.

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**RATIFICATION OF APPROVAL OF RIGHT OF WAY PLANS FOR
CONDEMNATION**

On behalf of the Director, Diane Heckemeyer, State Design Engineer, recommended the Commission ratify the approval by the Chief Engineer of the following right of way plans, which have been filed for condemnation.

<u>County</u>	<u>Route</u>	<u>Job Number</u>	<u>Date Commission Approved Design</u>
St. Charles	Z	J6S0711	December 7, 2001
St. Charles	I-70	J6I0950	September 7, 2001
Jefferson	30	J6P1551	N/A
Jefferson	67	J6P1495	September 7, 2001
Cole	179	J5U0441J	November 2, 2001 (3 rd Amended)
Macon/Adair	63	J2P0485	May 4, 2001*
Chariton	129	J2S0682	N/A
St. Charles	D	J6S1027	N/A
Jefferson	B	J6S1076	January 4, 2002
Saline	O	J2S0688	January 4, 2002
Jasper	71B	J7S0709	October 5, 2001

*Location Approval

In accordance with Section 227.050 RSMo, the Commission, via approval of the consent agenda, approved the right of way plans for the above noted projects and directed they be filed as necessary for the condemnation of right of way. Commissioner Orscheln abstained from voting on Job No. J2S0682, Route 129, Chariton County.

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-- REPORTS --

MHTC DEBT MANAGEMENT POLICY

In May 2000, the Commission adopted the MHTC Debt Management Policy. The intent of the policy is to maintain top credit ratings on long-term debt issued by the Commission and to minimize borrowing costs. Reports were furnished to the Commission on the projected annual debt limit and obligations and MoDOT's program acceleration commitments. As of January 2003, the Commission is in compliance with its Debt Management Policy.

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DESIGN/BRIDGE ENGINEERING CONSULTANTS REPORT

Diane Heckemeyer, State Design Engineer, submitted a Design/Bridge Engineering Consultants report as of November 30, 2002.

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MODOT AND MISSOURI STATE HIGHWAY PATROL MEDICAL AND LIFE INSURANCE PLAN, SEMI-ANNUAL REPORT

Jeff Padgett, Manager of Employee Benefits and Chairman of Medical and Life Insurance Plan Board of Trustees, submitted a semi-annual report that provides information relative to the MoDOT and Missouri State Highway Patrol Medical and Life Insurance Plan financial status from January 1, 2002 through June 30, 2002.

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FY 2003 BUDGET UPDATE

Mike Golden, Chief Financial Officer and Herbert Wheeler, Resource Management Director, submitted the FY 2003 budget update. This report shows the budget to actual spending status for the Road and Bridge Budget, Multimodal Operations (aviation, transit, waterways and rails), and One Stop Shop (Highway Reciprocity Commission and Motor Carrier & Railroad Safety).

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By unanimous vote of all members present, the meeting of the Commission was adjourned.

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